

SENATE BILL REPORT

SB 6355

As Reported By Senate Committee On:
Transportation, January 24, 2008

Title: An act relating to the imposition of tolls.

Brief Description: Concerning the imposition of tolls.

Sponsors: Senator Haugen.

Brief History:

Committee Activity: Transportation: 1/17/08, 1/24/08 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6355 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Berkey, Delvin, Eide, Jacobsen, Kauffman, Kilmer and Spanel.

Minority Report: Do not pass.

Signed by Senators Benton, Holmquist, Kastama, King, Pflug and Sheldon.

Minority Report: That it be referred without recommendation.

Signed by Senator Murray, Vice Chair.

Staff: Kelly Simpson (786-7403)

Background: Various tolling statutes exist under current law relative to both state and local toll facilities. However, no consistent statewide toll policies and guidelines exist that harmonize the numerous tolling statutes.

Summary of Bill (Recommended Substitute): General statewide tolling policies are placed into law, applicable to all state toll bridges and other state toll facilities authorized after July 1, 2008. However, these policies do not apply to the state ferry system.

Imposition of Tolls: Tolls may not be imposed on any state transportation facility unless first authorized by the Legislature. In addition to traditional bridges and highways, state toll facilities may include transportation corridors, approaches, and bi-state facilities. Certain local governments may impose tolls on local facilities. However, if the local tolls have a significant impact on the operation of any state facility, the state Transportation Commission must first approve the tolls.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Tolling Proposals: Any proposal for state toll facilities must consider the following policy guidelines:

- Overall direction: to encourage the effective use of the transportation system and to provide a source of transportation funding;
- When to use tolling: to contribute a significant portion of project costs or to optimize system performance;
- Use of toll revenue: to improve, preserve, or operate a toll facility;
- Setting toll rates: to meet funding obligations and to optimize system performance (to the extent possible after generating revenue); and
- Duration of toll collection: to fund additional capacity, capital rehabilitation, maintenance, and operations, and to optimize system performance.

Use of Toll Revenue: Toll revenue must only be used to construct, improve, preserve, maintain, manage, or operate the toll facility. Toll revenue may only be used for the following purposes:

- to cover operating costs, including maintenance, preservation, administration, and toll enforcement;
- to satisfy debt payments and financing costs;
- to meet any other obligations to provide funding contributions for any projects or operations on the toll facility;
- to provide operations of public transportation (limited to no more than 10 percent of toll revenue); and
- for any other improvements to the toll facility.

State Tolling Authority: The Washington Transportation Commission serves as the state tolling authority, with the following responsibilities:

- set toll rates and exemptions (if any), using the tolling policy guidelines in the bill;
- review toll collection and operations policies, and toll expenditures, and annually report to the Legislature;
- ensure that toll rates cover operating costs, maintenance, preservation, administration, toll enforcement, debt payments and financing costs, and any other obligations to provide funding contributions for any projects or operations on the toll facility; and
- may set variable tolls to optimize system performance (subject to generating sufficient revenue to first satisfy minimum requirements).

Tolling Advisory Committees: Tolling Advisory Committees may be created by the state Transportation Commission for any state toll facility. The Tolling Advisory Committees serve in an advisory capacity to the Commission on all matters related to the imposition of tolls. In setting toll rates, the Commission must consider a Committee's recommendations.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): Clarifies further that tolling policies apply only to future toll facilities. Allows tolling revenue to be used to manage the toll facility. Limits the use of toll revenue for toll enforcement purposes to within the boundaries of the toll facility. Removes all specific references to allowing toll revenue to be used for public transportation purposes. Adds a tolling policy guideline encouraging toll revenue to provide for the inclusion of recycled and reclaimed construction material.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: The timing is good for this bill in Washington State, given all the current tolling initiatives being implemented and discussed. This bill is a good first start at implementing the state Transportation Commission's recommendations to enact general statewide tolling policy guidelines.

CON: This bill is simply a way for the state to make more money. Toll revenue should not go towards transit operations. The bill should contain fairness principles and should distinguish between certain classes of vehicles not subject to tolls.

OTHER: Because the bill indicates that tolls may be implemented to optimize system performance, it should not limit the amount of toll revenue directed at transit operations. The bill should specify that toll revenue may be used to manage the toll facility. Transit operations should not be subject to tolls. Some of the language in the bill is too vague, such as the definition of transportation corridors. Motorists are generally opposed to ongoing tolling beyond the time necessary to complete the project financing requirements. The intent behind when and how to impose tolls is unclear. Multimodal uses of toll revenues is concerning.

Persons Testifying: PRO: Richard Ford, Washington Transportation Commission; Harold Tanigushi, Department of Transportation, King County; Craig Stone, Washington State Department of Transportation.

CON: Paul W. Locke, citizen.

OTHER: Dave Overstreet, AAA of Washington; Mike O'Brien, Sierra Club; Amber Carter, Association of Washington Business; Genesee Adkins, Transportation Choices Coalition; Peter Thein, Washington State Transit Association.